PARLIAMENT

PROFITABILITY ANALYSIS

OF PROPOSED EXPANSIONS

(DOLLARS AND UNITS IN THOUSANDS)

	1998 LAUNCH		1999		2000		2001	
	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M
CHICAGO (BLUE/GREEN)								
% AVG INDUSTRY DECLINE (5-YEAR PLAN)	-1.3%		-2.3%		-2.6%		-1.7%	
VOLUME DECREASE DUE TO INDUSTRY DECLINE & WITHOUT MARKETING EFFORTS	102,796		100,432		97,820		96,158	
VOLUME WITH MARKETING EFFORTS	150,530		188,757		202,725		217,727	
INCREMENTAL VOLUME DUE TO MARKETING EFFORTS	47,734		88,325		104,905		121,569	
MARGINAL CONTRIBUTION	$1,856	$38.89	$3,647	$41.29	$4,583	$43.69	$5,603	$46.09
DIRECT MARKETING EXPENSES	$4,407	$92.32	$3,966	$44.91	$4,165	$39.70	$4,373	$35.97
CONTRIBUTION AFTER DIRECT MARKETING COSTS	($2,551)	($53.43)	($319)	($3.62)	$419	$3.99	$1,230	$10.12
ADD'L QTY NEEDED TO BREAK-EVEN	65,586		7,734		(9,583)		(26,693)	
ACCUMULATED GAIN/(LOSS)	($2,551)		($2,870)		($2,451)		($1,221)	
ACCUMULATED BREAK-EVEN QTY	65,586		73,320		63,737		37,044	

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Source: https://www.industrydocuments.ucsf.edu/docs/zhkn0004

PARLIAMENT

PROFITABILITY ANALYSIS

OF PROPOSED EXPANSIONS

(DOLLARS AND UNITS IN THOUSANDS)

	1998 LAUNCH		1999		2000		2001	
	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M
FLORIDA 100S BOX								
NO DECLINE DUE TO EXISTING MARKETING EFFORTS	0.0%		0.0%		0.0%		0.0%	
VOLUME DECREASE DUE TO INDUSTRY DECLINE & WITHOUT MARKETING EFFORTS	247,558		247,558		247,558		247,558	
VOLUME WITH MARKETING EFFORTS	253,969		313,764		333,845		355,211	
INCREMENTAL VOLUME DUE TO MARKETING EFFORTS	6,411		66,206		86,287		107,653	
MARGINAL CONTRIBUTION	$249	$38.89	$2,734	$41.29	$3,770	$43.69	$4,962	$46.09
DIRECT MARKETING EXPENSES	$600	$93.59	$540	$8.16	$567	$6.57	$595	$5.53
CONTRIBUTION AFTER DIRECT MARKETING COSTS	($351)	($54.70)	$2,194	$33.13	$3,203	$37.12	$4,366	$40.56
ADD'L QTY NEEDED TO BREAK-EVEN	9,017		-		-		-	
ACCUMULATED GAIN/(LOSS)	($351)		$1,843		$5,046		$9,412	
ACCUMULATED BREAK-EVEN QTY	9,017		-		-		-	

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PARLIAMENT

PROFITABILITY ANALYSIS

OF PROPOSED EXPANSIONS

(DOLLARS AND UNITS IN THOUSANDS)

	1998 LAUNCH		1999		2000		2001	
	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M
FLORIDA MENTHOL								
NO DECLINE DUE TO EXISTING MARKETING EFFORTS	0.0%		0.0%		0.0%		0.0%	
VOLUME DECREASE DUE TO INDUSTRY DECLINE & WITHOUT MARKETING EFFORTS	247,558		247,558		247,558		247,558	
VOLUME WITH MARKETING EFFORTS	262,458		322,388		346,245		371,867	
INCREMENTAL VOLUME DUE TO MARKETING EFFORTS	14,900		74,830		98,687		124,309	
MARGINAL CONTRIBUTION	$579	$38.89	$3,090	$41.29	$4,312	$43.69	$5,729	$46.09
DIRECT MARKETING EXPENSES	$1,700	$114.09	$1,530	$20.45	$1,607	$16.28	$1,687	$13.57
CONTRIBUTION AFTER DIRECT MARKETING COSTS	($1,121)	($75.20)	$1,560	$20.84	$2,705	$27.41	$4,043	$32.52
ADD'L QTY NEEDED TO BREAK-EVEN	28,813		-		-		-	
ACCUMULATED GAIN/(LOSS)	($1,121)		$439		$3,144		$7,187	
ACCUMULATED BREAK-EVEN QTY	28,813		-		-		-	

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PARLIAMENT

PROFITABILITY ANALYSIS

OF PROPOSED EXPANSIONS

(DOLLARS AND UNITS IN THOUSANDS)

	1998 LAUNCH		1999		2000		2001	
	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M	TOTAL	PER M
BALTIMORE/WASHINGTON								
% AVG INDUSTRY DECLINE (5-YEAR PLAN)	-1.3%		-2.3%		-2.6%		-1.7%	
VOLUME DECREASE DUE TO INDUSTRY DECLINE & WITHOUT MARKETING EFFORTS	79,498		77,670		75,650		74,364	
VOLUME WITH MARKETING EFFORTS	103,714		124,348		132,306		140,774	
INCREMENTAL VOLUME DUE TO MARKETING EFFORTS	24,216		46,678		56,656		66,410	
MARGINAL CONTRIBUTION	$942	$38.89	$1,927	$41.29	$2,475	$43.69	$3,061	$46.09
DIRECT MARKETING EXPENSES	$4,680	$193.26	$4,212	$90.23	$4,423	$78.06	$4,644	$69.93
CONTRIBUTION AFTER DIRECT MARKETING COSTS	($3,738)	($154.37)	($2,285)	($48.94)	($1,947)	($34.37)	($1,583)	($23.84)
ADD'L QTY NEEDED TO BREAK-EVEN	96,123		55,332		44,571		34,344	
ACCUMULATED GAIN/(LOSS)	($3,738)		($6,023)		($7,970)		($9,553)	
ACCUMULATED BREAK-EVEN QTY	96,123		151,455		196,026		230,370	

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